

Chapter 9



Financial Matters

Arizona Early Intervention Program

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9.0.0 Authority: 20 U.S.C. §§1432, 1435, 1437-1438, 1440; 34 C.F.R. §§303.500, 501, 510, 511, 520, 521

9.1.0 Financial Responsibility for AzEIP Participating Agencies

9.1.1 Policy

1. Each AzEIP Participating Agency will maintain eligibility criteria as set forth in State and Federal law and policy.
2. If a child meets the eligibility criteria for an AzEIP Service Providing Agency and AzEIP, the AzEIP Service Providing Agency is financially responsible for providing and/or arranging for the provision of early intervention services, in accordance with IDEA, Part C requirements, AzEIP policies and procedures, relevant Intergovernmental Agreements, and State law.
3. DES/AzEIP is responsible for the general administration and oversight of programs and activities in the Arizona Early Intervention Program and monitoring the programs and activities used by Arizona to carry out the early intervention system, whether or not these programs or activities are receiving assistance from IDEA, Part C.
4. If DES/AzEIP, in resolving a dispute, determines that the assignment of agency financial responsibility was inappropriately made, DES/AzEIP shall:
 - A. Reassign the responsibility to the appropriate agency; and/or
 - B. Make appropriate arrangements for reimbursement of any expenditures incurred by the agency originally assigned this responsibility.

9.2.0 Federal Funds Available under IDEA, Part C; Payor of Last Resort

9.2.1 Policy

1. IDEA, Part C funds will be used to pay for the following:
 - A. Activities, functions and services authorized under IDEA, Part C, including administration, maintenance and implementation activities, direct early intervention services for eligible children and their families, related activities by other agencies, and support for the Interagency Coordinating Council.
 - B. Early intervention services that an eligible child needs, but is not currently entitled to from other federal, state, local, or private sources.
 - C. To expand and improve services for eligible children and their families that are otherwise available.
2. IDEA, Part C funds will not be used for the following:
 - A. To pay for early intervention services that are to be paid by another public or private source, including any medical program administered by the Department of Defense, but for the enactment of IDEA, Part C.

- B. To supplement the level of state and local funds expended for AzEIP eligible children and their families, and in no case will supplant those state and local funds.
3. IDEA, Part C funds will not be commingled with state funds.
4. No child will be denied or have early intervention services delayed due to disputes between agencies regarding financial or other responsibilities. If necessary to prevent delay in receipt of appropriate early intervention services to an eligible child or child's family, IDEA, Part C funds may be used to pay the provider of services, pending reimbursement from the agency or entity that has ultimate responsibility for the payment.
5. If necessary to prevent the delay of timely and appropriate early intervention services to an eligible child and/or his family, DES/AzEIP may use IDEA, Part C funds to pay for the provider of early intervention services, functions of the child find system, and evaluations and assessments as allowed under Part C pending reimbursement from the agency or entity that has the ultimate responsibility for payment.

9.3.0 System of Payments

9.3.1 Definitions

9.3.1.1 Policy

1. For purposes of the Financial Matters policy, the following definitions apply:
 - A. "Responsible person" is defined as (a) the biological or adoptive parent(s) or (b) the guardian(s) of a child enrolled in the Arizona Early Intervention Program.
 - B. "Financial information" includes all documentation gathered for the purposes of Family Cost Participation.
 - C. "Consent" includes informed permission to utilize Private Insurance and Public Insurance and Benefits, **and** to share personally identifiable information for the purposes of billing.
 - D. "AzEIP Service Providing Agencies" are those state agencies identified in A.R.S. §8-652 that provide early intervention services under IDEA, Part C: Arizona Department of Economic Security and the Arizona State Schools for the Deaf and the Blind. The Arizona Department of Economic Security provides early intervention services through the DES, Arizona Early Intervention Program (DES/AzEIP) and the DES, Division of Developmental Disabilities (DES/DDD).
2. AzEIP maintains all financial information confidentially to be used only for the purpose of the Financial Matters policy or as required by Federal or State law.

9.3.2 Private Insurance

9.3.2.1 Policy

1. The AzEIP Service Providing Agencies, or their designated contractors or subcontractors, must obtain the responsible person's written consent to use the responsible person's or child's private insurance to pay for:
 - A. evaluation;
 - B. the initial provision of early intervention services on the Individualized Family Service Plan (IFSP); and
 - C. each increase in frequency, length, duration, or intensity of an early intervention service on the IFSP.
2. If a responsible person declines the use of private insurance, the child and family will not be denied early intervention services; the Family Cost Participation policy, section 9.3.4, which describes other potential costs and fees, will apply to services regardless of a responsible person's consent to use insurance.
3. A responsible person will be provided a copy of AzEIP's system of payments, including the identification of potential costs that the responsible person may incur if the person consents or does not consent to the use of their private insurance. Those costs may include co-payments, premiums or deductibles, long-term costs such as the loss of benefits because of annual or lifetime health insurance coverage caps and family cost participation fees.
4. The AzEIP Service Providing Agencies (including their employees, contractors, and subcontractors) will not collect co-pays unless required by the health plan contract between the insurer and early intervention provider. In the event that the insurance plan requires the responsible person to pay a co-pay, the amount of the co-pay will not be deducted from the responsible person's remaining financial obligation under the Family Cost Participation policy.
5. If a family reaches the maximum allowable units or level of service covered by their private insurance for a specified period, the responsible AzEIP Service Providing Agency will pay for the remaining IFSP services, unless another funding source is identified. The Family Cost Participation policy described in section 9.3.4 applies to the AzEIP Service Providing Agency's costs for providing the early intervention services.
6. DES/DDD is required to access private insurance before using Title XIX, Arizona Long Term Care Services (ALTCS) funding for children enrolled in ALTCS. Parents of children who are ALTCS eligible must provide consent to use insurance as a condition of continued DDD eligibility and receipt of services. Should an ALTCS-eligible family decline consent to use of insurance for early intervention, the family will be served as AzEIP-only eligible by the DES/AzEIP contractor serving the region in which the family lives.

7. A responsible person with public insurance/benefits or private insurance will not be charged disproportionately more than a responsible person who does not have public benefits/insurance or private insurance.

9.3.2.2 Procedures

1. The AzEIP service coordinator provides the responsible person with a written copy of AzEIP's system of payments, including the identification of potential costs a responsible person may incur.
2. DES/AzEIP's and DES/DDD's contractors, qualified vendors, and their subcontractors, etc., bill private insurance for early intervention services covered by insurance if the responsible person has provided written consent to use insurance.

- A. If the insurer pays the same or more than the DES/AzEIP or DES/DDD contracted rate, the contractor/vendor is considered paid in full.
- B. If the insurer does not pay the same or more than the DES/AzEIP or DES/DDD contracted rate, DES/AzEIP and DES/DDD pay the difference between the contracted rate and the amount paid by private insurance.

The Family Cost Participation policy described in section 9.3.4 applies to the amount paid by the State to the contractor/vendor (the difference between the contracted rate and the insurance payment), which may include the amount that would have been collected as the co-pay. The percent to pay is then applied to this amount that the State pays.

- C. If the insurer denies payment until a deductible is met, DES/AzEIP and DES/DDD will pay for services up to the contracted rate until the deductible is met, at which time the contractor or vendor will only bill DES/AzEIP or DES/DDD for the balance after the insurance payment. If a family has a percent to pay under Family Cost Participation, this percent will be applied towards this deductible amount paid by the State.
3. For families served by ASDB and who have provided consent to use insurance, ASDB bills the appropriate insurance company, and tracks and collects payment.
4. If at any point during the child's eligibility for AzEIP, the child becomes eligible for the Arizona Long-Term Care System with DES/DDD, DES/DDD is required to access the responsible person/child's insurance as a provision of ALTCS eligibility. If the responsible person does not consent to the use of their insurance for early intervention services, the child will not be eligible for ALTCS and DDD services and the following procedures must occur:
 - A. DES/DDD will notify DES/AzEIP within five business days if it intends to discontinue the provision of early intervention services for a child who is ALTCS eligible because the responsible person declined consent to use private insurance;

- B, DES/AzEIP will immediately notify the AzEIP Team-based Contractor in the family's region; and
- C. Appropriate early intervention professionals from the AzEIP Team-based Contractor will meet with the family to revise the IFSP, and will complete the transition from DES/DDD to the AzEIP Team-based Contractor.

9.3.3 Public Benefits and Insurance

9.3.3.1 Policy

1. The AzEIP Service Providing Agencies utilize public insurance, such as Medicaid's Title XIX, including Arizona Long Term Care System (ALTCs) and Early Periodic Screening Diagnosis and Treatment (EPSDT), to the maximum extent possible.
2. A responsible person may not be required to sign up for or enroll in public benefits or insurance (AHCCCS) in order to receive early intervention services.
3. Consent to use a responsible person's or child's public benefit or insurance is required if:
 - A. the responsible person or child is not already enrolled in AHCCCS; or
 - B. the use of the child's or responsible person's public benefit/insurance would
 - (1) decrease available lifetime coverage or any other insured benefit for the child or responsible person;
 - (2) result in the responsible person paying for services that would otherwise be covered by the public benefit/insurance;
 - (3) result in any increase in premiums or discontinuation of public benefits/insurance for that child or responsible person; or
 - (4) risk loss of eligibility for the child or the responsible person for home and community-based waivers based on aggregate health-related expenditures.
4. Consent to disclose a responsible person's or child's personally identifiable information to bill a public benefit or insurance (AHCCCS) is required prior to billing for all responsible persons (whether they are currently enrolled in AHCCCS or whether they enroll after they become eligible for AzEIP).
5. A responsible person may withdraw consent to use public insurance or benefits and/or share personally identifiable information for billing purposes, at any time.
6. Prior to using a responsible person's or child's public benefits or insurance to pay for early intervention services, the AzEIP Service Providing Agencies, or their designated contractors or subcontractors, must provide written notification to the responsible person. That notification must include a statement that:

- A. public benefits or insurance will not be billed unless the responsible person consents to share their or their child's personally identifiable information for billing purposes;
 - B. describes certain no-costs provisions and that if the responsible person does not consent to use the public benefit or insurance, the early intervention services on the IFSP for which the responsible person has consented will be provided;
 - C. the responsible person has the right to withdraw their consent to disclose personally identifiable information at any time; and
 - D. lists the potential categories of costs that the responsible person might incur from using their or their child's public benefit or insurance. Those categories include the cost of co-payments, deductibles, or the use of private insurance before using the public insurance (such as with ALTCS).
7. AHCCCS has a contract with DES/DDD, in which DES/DDD (i) administers the Arizona Long Term Care Services (ALTCS) for individuals with developmental disabilities; and (ii) provides targeted case management for individuals who are both DES/DDD and EPSDT eligible. Following determination of eligibility for DES/DDD, individuals are screened for referral to ALTCS. If the financial and functional screening criteria are met, the individual/responsible person is required to apply for ALTCS eligibility.
- DES/AzEIP ensures that early intervention services are provided to a child and his/her family regardless of whether they choose to apply for ALTCS eligibility.
8. When a child is eligible for ALTCS and has private insurance, DDD will bill the private insurance and use ALTCS funds to pay any remaining balance unpaid by private insurance. See Section 9.3.2 for the requirements to use a family's private insurance.

9.3.3.2 Procedures

- 1. The AzEIP service coordinator coordinates all services, regardless of funding source (e.g., services funded by EPSDT and ALTCS). The AzEIP service coordinator assists the responsible person to access the early intervention services and ensure that the services are provided timely.
- 2. DES/AzEIP and AHCCCS established a protocol to maximize the use of Early Periodic Screening Diagnostic and Treatment (EPSDT) for AzEIP eligible children being served by the DES/AzEIP and DES/DDD.
 - A. For children initially identified by AzEIP as a child with a suspected developmental delay or disability, AzEIP will proceed with the initial planning process, including screening, evaluation, and eligibility determination. If the child is AzEIP eligible, the IFSP team will develop the

initial IFSP, and the AzEIP service coordinator will work with the AHCCCS Health Plan to determine medical necessity for the EPSDT covered services on the IFSP.

As described in the established protocol, the AHCCCS Health Plans are encouraged to contract with AzEIP providers and, to the extent possible, authorize the AzEIP providers to provide medically necessary services on the IFSP. AHCCCS Health Plans may also use their own providers to provide medically necessary services.

- B. For children not yet referred to AzEIP and whose parents or physicians have a developmental question or concern, the AHCCCS health plan will facilitate appropriate evaluation and service provision through its provider network. If evaluation indicates that a child may be a child with a suspected developmental delay or disability, the AHCCCS Health Plan and/or doctor will refer the child to AzEIP.

If the child is AzEIP eligible, the IFSP team will develop the IFSP, and the AzEIP service coordinator will work with the AHCCCS Health Plan to determine medical necessity for the EPSDT covered services on the IFSP. Service provision may be through the AzEIP provider or the AHCCCS Health Plan provider network, as described in 2A above.

3. If at any point during the child's eligibility for AzEIP, the child becomes potentially eligible for ALTCS, DES/DDD must facilitate determination of ALTCS eligibility and, if eligible, access any available private insurance for payment of early intervention services. If the responsible person does not submit documentation for ALTCS eligibility, or consent to use insurance for early intervention services, the child will be ineligible for ALTCS and DDD services. The child and family will be referred to DES/AzEIP for continuation of early intervention services as described in section 9.3.2.2 (4).

9.3.4 Family Cost Participation/Family Fees

9.3.4.1 Policy

1. The AzEIP Service Providing Agencies implement a Family Cost Participation Policy for responsible persons of children enrolled in AzEIP. This policy does not apply to the responsible person(s):
 - A. of a child(ren) enrolled in early intervention through DDD and eligible for the Arizona Long-Term Care System (ALTCS);
 - B. of a child(ren) in the legal custody of DES, a tribe, or another state's child welfare agency; or
 - C. of a child(ren) included on a signed, Arizona adoption subsidy agreement.

2. Fees will not be charged for services that a child is required to receive at no cost to the family under IDEA, Part C. Fees will not be charged for the following services:
 - A. Child find and public awareness;
 - B. Screening, evaluation and assessment and the functions related to them;
 - C. Service coordination; and
 - D. Administrative and coordination activities related to:
 - (1) Development, review, and evaluation of IFSPs and interim IFSPs;
 - (2) Transition conferences;
 - (3) Implementing procedural safeguards, including dispute resolution; and
 - (4) Teaming activities on behalf of a family, as described in DES/AzEIP contracts providing Team-Based Model services.
3. The following early intervention services, as defined in Part C of IDEA, will be subject to cost participation:
 - A. Assistive technology devices and assistive technology services;
 - B. Audiological services;
 - C. Family training, counseling, and home visits;
 - D. Health services necessary to enable the infant or toddler to benefit from the other early intervention services;
 - E. Medical services only for diagnostic or evaluation purposes;
 - F. Nursing services;
 - G. Nutritional services;
 - H. Occupational therapy;
 - I. Physical therapy;
 - J. Psychological services;
 - K. Special instruction;
 - L. Speech-language pathology;
 - M. Social work services;
 - N. Vision services; and
 - O. Any other service paid for by the AzEIP Service Providing Agency and provided in accordance with IDEA and the IFSP.
4. Fees are applied only to services subject to cost participation and provided by an AzEIP Service Providing Agency. Fees are not applied to the cost of services identified in 3. Of Section 9.3.4.1 above that are paid, in total, by Medicaid, private insurance, or other funding sources.

If other sources pay a portion of the cost, and the AzEIP Service Providing Agency pays a portion, fees may be applied to the amount paid by the AzEIP Service Providing Agency. For example, if private insurance pays less than the AzEIP Service Providing Agency's contracted rate, the EIP may bill the AzEIP Service Providing Agency the difference between the contracted rate and the amount paid by private insurance. The AzEIP Service Providing Agency will pay

the contractor, and apply the family's percent to pay to the amount paid by the State.

5. The amount that a responsible person is obligated to pay is based on (a) the income of the responsible person(s) and the infant or toddler, (b) family size, relative to the Federal Poverty Guidelines in effect on July 1 of that fiscal year, and (c) the type, frequency, and cost of early intervention services provided to the AzEIP eligible child and family.
6. Income is the Federal Adjusted Gross income as defined by the United States internal revenue code, as reported on the most recent Federal income tax return, or other proof of income (see number 10 below), as determined appropriate by DES.
7. DES will identify specific programs, such as Supplemental Nutrition Assistance Program or specific programs through the Arizona Health Care Cost Containment System (AHCCCS), with equal or more restrictive income requirements. DES reserves the right to change the identification of these programs should the program change its income requirements.
8. AzEIP Service Providing Agencies may review the documentation submitted for these identified programs and verify current eligibility and enrollment. The AzEIP Service Providing Agency may reverse or amend the amount assessed based on current and ongoing verification.
9. If the responsible person(s) is not enrolled in one of the programs designated by DES as noted in #7 above, the responsible person(s) must provide a copy of the responsible person(s)'s or infant/toddler's Federal income tax return(s) for the most recent taxable year, including, if filed, any U.S. Estate or Trust Tax Form 1041.
10. If the responsible person(s) did not file a Federal income tax return(s) for the recent taxable year, the AzEIP Service Providing Agency requires the responsible person to submit alternate documentation of income in the following order:
 - (1) The most recent W-2 for each responsible person;
 - (2) Pay stubs for the last four (4) consecutive pay periods for each responsible person; or
 - (3) Documentation of adjusted gross income received from the last four (4) consecutive months for each responsible person.
11. If the responsible person(s) is unemployed, s/he may submit verification of unemployment.
12. Other documentation may be requested by the AzEIP Service Providing Agency should the above-required documentation be unavailable.

13. Family size equates to the number of exemptions as defined by the United States internal revenue code and, if a Federal income tax return was filed, as claimed on the Federal income tax return.
14. The responsible person(s) must provide the required financial information for each responsible person and the infant or toddler receiving early intervention services when requested by DES or ASDB, after eligibility, at least annually, and more frequently, if requested.

If the responsible person(s) does not submit the Financial Information Form and required documentation within the timeframe requested, the percent to pay will default to 100 percent.
15. The financial information submitted by the responsible person(s) is subject to verification; the AzEIP Service Providing Agency may reverse or amend the amount assessed based on such verification.
16. DES may request that the responsible person(s) voluntarily provide their social security number (SSN). If the SSN is provided, it will be used for possible future collection purposes (such as to ensure that the responsible person(s) is not confused with someone else having a similar name). If the responsible person(s) chooses not to provide the SSN, they may choose to provide the last four digits of each responsible person(s)'s SSN.
17. If the responsible person(s) chooses not to provide the SSN or the last four digits of the SSN, early intervention services will not be delayed or denied.
18. A fee schedule, based on 200 percent of the current Federal Poverty Guidelines (FPG), has been established by DES. Federal Poverty Guidelines are the official income level for poverty established by the United States Department of Health and Human Services. Additional information about Federal Poverty Guidelines (a.k.a. Federal Poverty Levels), can be found at <http://aspe.hhs.gov/poverty/10poverty.shtml>. Fee schedules and rate schedules (cost for services) will be available and updated on each AzEIP Service Providing Agency website and available from the AzEIP service coordinator.
19. The percentage of the AzEIP Service Providing Agency's cost that the responsible person will be obligated to pay (also called the percent to pay) will be calculated based on family size and the income of the responsible person(s) and the infant or toddler relative to the fee schedule. The responsible person(s)'s and the infant or toddler's percent to pay will be applied to the AzEIP Service Providing Agency's cost for services that are subject to fees, including services provided by employees, contractors, vendors, and subcontractors.
20. A responsible person(s) and the infant or toddler with an income below 200 percent of the FPG will not be charged a percent of the AzEIP Service Providing Agency's cost for early intervention services (i.e., percent to pay will be zero.) A responsible person(s) and an infant or toddler with an income at or above 200

percent FPG will be charged a percent of the AzEIP Service Providing Agency's cost as delineated in the percent to pay table in Appendix A, to be updated annually to reflect Federal Poverty Guidelines applicable to Arizona, which are generally issued each year by the United States Department of Health and Human Services.

21. If a responsible person has two or more children with disabilities, the percent to pay will be applied to the costs of the child whose services are the most expensive when:

- A. The children are between the ages of birth and eighteen years;
- B. The children are enrolled in AzEIP or a developmental disability program/receiving services subject to cost participation through DES/DDD; and
- C. Consent has been provided (if needed) to share records between agencies to confirm the information in A. and B.

When the above criteria are met, fees will only apply to the most expensive services of one child.

22. The responsible person(s)'s cost will not exceed the AzEIP Service Providing Agency's cost for the service (factoring in any amount received from other sources for payment for that service).
23. If another funding source, such as private insurance, pays for part or all of the service(s), the percent to pay will be applied only to any remaining cost to the AzEIP Service Providing Agency. Please see sections 9.3.2, private insurance, and 9.3.3, public insurance, for additional information about insurance.
24. The responsible person(s) may submit a revised Financial Form, with documentation, to the appropriate AzEIP Service Providing Agency requesting a recalculation of the responsible person(s)'s percent to pay based on changes in circumstances, such as income, family size, etc. If the change is supported by appropriate documentation, the recalculated percent to pay will be effective on the first of the month following the date on which the change occurred. Information is subject to verification.
25. The responsible person(s) may submit a written request with documentation to the appropriate AzEIP Service Providing Agency to temporarily defer or reduce costs based on hardship.
- A. Hardship is defined as an extraordinary circumstance that affects a responsible person(s)'s and infant or toddler's financial situation, such as unreimbursed medical expenses, or costs associated with the care of an elderly or sick family member who lives outside the home. Payments made under this Family Cost Participation policy are not considered unreimbursed medical expenses and are not considered for hardship.

- B. A panel with representation from ASDB, DES/AzEIP and DES/DDD will review written requests for consideration of hardship that are supported by documentation and respond within twenty (20) business days of receipt of the request. The interagency panel may:
 - (1) Temporarily reduce the responsible person(s)'s percent to pay;
 - (2) Approve a temporary deferral of payment(s);
 - (3) Approve a waiver of payment(s); or
 - (4) Deny the request for hardship.
 - C. If the interagency panel's decision is to reduce or defer payment, the panel will determine the dates on which the reduction or deferral become effective and expire, based on the request and documentation submitted. If the panel decides on a deferral, at the end of the deferral period, the responsible person(s) will be billed for the total amount deferred.
 - D. Information provided for hardship review is subject to verification; the AzEIP Service Providing Agency reserves the right to reverse or amend a deferral or reduction of costs if financial circumstances change or were misrepresented, and, as authorized, may implement collections, intercept state tax refunds and/or lottery winnings to offset amounts due, including deferrals.
26. DES/Office of Accounts Receivable and Collections (OARC) manages collection activities from families who have eligible children with DES/AzEIP and DES/DDD and responds to requests for payment plans. ASDB manages collection activities from families who have eligible children with ASDB and responds to requests for payment plans.
27. When a family consents to use private insurance to pay for services, there may be a delay in the bill under Family Cost Participation as the AzEIP Service Providing Agency will submit billing to the private health plan and then if denied, bill the AzEIP Service Providing Agency.
28. A responsible person who disagrees with the fee charged under family cost participation or the determination of a responsible person's or child's ability to pay may:
- A. make an informal complaint with DES/AzEIP;
 - B. file a formal complaint with DES/AzEIP;
 - C. request and/or participate in mediation; and/or
 - D. request a due process hearing.
- See Chapter 7, *Procedural Safeguards* for AzEIP policies regarding family rights A. through D.
29. Failure to pay the responsible person's cost may result in termination of the early intervention services that are subject to fees. The AzEIP Service Providing Agency will provide written notice, consistent with 34 C.F.R. §303.421, prior to

the termination of services. The AzEIP Service Providing Agency also provides written notice consistent with 34 C.F.R. §303.443, a reasonable time before the AzEIP Service Providing Agency refuses to initiate early intervention services to which fees apply. The Prior Written Notice/Notice of Action will describe:

- A. The action that is being proposed or refused;
- B. The reasons for taking the action;
- C. The procedural safeguards available under 34 C.F.R. §§303.401-449; and
- D. The State complaint procedures 34 C.F.R §§303.432-437.

(See Chapter 7, *Procedural Safeguards* for AzEIP policies and procedures regarding written prior notice and dispute resolution under IDEA, Part C.)

9.3.4.2 Procedures

1. Upon referral to the Arizona Early Intervention Program, the Family Cost Participation policy is explained so that the responsible person(s) may make an informed decision regarding whether to proceed in early intervention.
2. Fees will not be charged for initial planning process activities, which include referral, screening, evaluation, and, if eligible, assessment and the development of the initial Individualized Family Service Plan.
3. At the time a child is determined eligible for the Arizona Early Intervention Program, the AzEIP service coordinator or evaluation team (employed by or contracted with DES/DDD, DES/AzEIP or ASDB) will explain the Family Cost Participation policy in detail, including the process. The AzEIP service coordinator or evaluation team members will provide the Financial Information Form to the responsible person and, if needed, assist in completing the form.
4. Within ten business days of eligibility or a request from DES or ASDB (unless an extension is granted by DES or ASDB), the responsible person(s) must complete and submit the Financial Information Form with the required documentation to their AzEIP Service Providing Agency as set out on the form.
5. After receipt of the Financial Information Form and required documentation, the AzEIP Service Providing Agency will calculate the “percent to pay” based on the responsible persons(s)’ Federal Adjusted Gross Income or other income data ,and send the verified percent to pay to the responsible person within 5 business days of receipt.
6. For the AzEIP Service Providing Agency to determine the percent to pay when more than one child is receiving services under this policy, the responsible person will be asked to provide consent, if needed, for each AzEIP Service Providing Agency to share records to determine which child’s services will be billed.

7. If the responsible person fails or refuses to submit the Financial Information Form and documentation before the initial IFSP, the IFSP team will develop the IFSP as described in the next paragraph.
8. The responsible person(s), AzEIP service coordinator, and other IFSP team members develop the initial IFSP within the required 45-day timeline. The team identifies outcomes and services, including service types and frequencies. The IFSP will identify the services to which Family Cost Participation applies. The IFSP team will confirm that the responsible person has received information about the AzEIP Service Providing Agency's cost for each IFSP service subject to Family Cost Participation, and, if not, provide it to the responsible person.
9. The responsible person(s) may multiply (a) the percent to pay described in number 5. of this section; and (b) the cost for services described in number 9. of this section to determine the total cost prior to any insurance or other fund payment. If the responsible person(s) requests assistance, the AzEIP service coordinator and/or other IFSP team members may assist in calculating the total cost to the family.
10. By consenting to the initiation of IFSP services, including services to which Family Cost Participation applies, the responsible person is agreeing to pay his/her portion of the AzEIP Service Providing Agency's cost or, if Financial Information is not provided, pay 100 percent of the AzEIP Service Providing Agency's cost.
11. If the responsible person(s) does not know the percent to pay at the time of the IFSP meeting:
 - A. The responsible person(s) may decline consent to some or all of the early intervention services or consent to a lesser frequency of the services to which a fee applies and for which he/she is willing to accept financial responsibility;
 - B. The responsible person may receive only services that are available at no cost; or
 - C. Request that the IFSP meeting be postponed.
12. If the responsible person(s) does not agree to pay the cost for services:
 - A. The responsible person(s) may decline consent to some or all of the early intervention services or consent to a lesser frequency of the services to which a fee applies and for which he/she is willing to accept financial responsibility;
 - B. The responsible person may receive only services that are available at no cost;
 - C. The responsible person(s) may make an informal or formal complaint, request mediation, and/or a due process hearing objecting to the Family Cost Participation calculation as described in number 28. of Section 9.3.4.1, of the policies above, if he/she believes an error has been made; and/or
 - D. The responsible person(s) may submit a written request for consideration of hardship as described in numbers 13. and 25. of this section.

12. If the responsible person(s) would like to change (add/reduce/terminate, etc.) the early intervention services provided, including type and frequency, the responsible person(s) may:
 - A. Contact the AzEIP service coordinator who will reconvene the IFSP team to review, and possibly amend the IFSP, including outcomes and services; or
 - B. Contact the AzEIP service coordinator to withdraw consent, in writing, for the services that s/he wishes to end or reduce.
13. A responsible person may submit a request for hardship by completing the AzEIP hardship form and sending the supporting documentation to the AzEIP Service Providing Agency. When a request for hardship has been filed, the interagency DES/AzEIP, DES/DDD and ASDB panel:
 - A. Reviews the request;
 - B. Makes a decision to:
 - (1) Temporarily reduce the responsible person(s)'s percent to pay,
 - (2) Approve temporary deferral of payment,
 - (3) Approve a waiver of payment; and
 - (4) Deny the request for hardship.
 - C. Sends the written decision to the responsible person(s) within the required timelines.
14. After services begin, the DES Office of Accounts Receivable and Collections (DES/OARC) will send a monthly statement to the responsible person(s) of children served by DES/DDD or a DES/AzEIP contractor. ASDB will send a monthly statement to the responsible person of children served by ASDB. The statement identifies the month and the amount owed, any outstanding balance, and when payment is due.
15. The responsible person(s) submits payment to the agency that issued the monthly statement (i.e., DES/OARC or ASDB), and that agency will track payment(s).
16. Detailed statements of services received may be sent to the responsible person(s).
17. If payments are not submitted after two months from the date of the first statement, the AzEIP Service Providing Agency will notify the responsible person of the amount past due and the potential termination of services if payment is not made. DES/OARC or ASDB will address any collection activities, including reviewing available payment options. If payment is unresolved, OARC or the ASDB billing agent will notify the AzEIP Service Providing Agency that services should be terminated for lack of payment.
18. The AzEIP Service Providing Agency may terminate the early intervention services that are subject to fees for failure to pay in full for three consecutive months, or, if a payment plan has been established, failure to bring the account into good standing within 6 months of the last, complete payment. The AzEIP

Service Providing Agency will provide written notice, consistent with 34 C.F.R. §303.424, prior to the termination of services.

19. At any time throughout enrollment in AzEIP, a responsible person may make an informal complaint, formal complaint, and request mediation and a due process hearing with DES/AzEIP when they disagree with the fees charged to them or how their ability to pay was calculated. Procedures for these family rights are found in Chapter 7, *Procedural Safeguards*.

9.4.0 Inability to Pay

9.4.1 Policy

1. “Inability to pay” is defined as income less than 200 percent of the current Federal Poverty Guidelines for Arizona or demonstration of hardship.
2. Early intervention services will not be delayed or denied if a responsible person has an “inability to pay;” the responsible person and child will receive early intervention services at no cost.
3. If a responsible person or child is unable to pay, as defined in 1. above, and does not provide consent to use their private insurance, the lack of consent will not be used to delay or deny early intervention services to the child and family.

9.5.0 Program Income

9.5.1 Policy

1. DES/AzEIP does not treat proceeds from public or private insurance as program income for the purposes of 34 C.F.R. §80.25 (program income).
2. Proceeds from (1) private insurance, (2) public benefits/insurance; and (3) family cost participation fees are neither state nor federal funds for the purposes of Part C non-supplanting requirements at 34 C.F.R. §303.124 (prohibition against supplanting).
3. Fees paid by a responsible person or child under AzEIP’s Family Cost Participation policy and procedures are program income under 34 C.F.R. §80.25. All family cost fees must be used for the purposes allowed under the grant to DES under IDEA, Part C.

9.6.0 Coordination with Other Funding Sources

9.6.1 Policy

1. DES/AzEIP, in partnership with the AzEIP Participating Agencies and the ICC:
 - A. Identifies and coordinates available resources to pay for and provide early intervention services, including federal, state, local, and private resources.
 - B. Updates information on funding sources for early intervention services resulting from changes in administrative rules or legislation.
2. Federal funding resources include monies available under at least the following:

- A. Title V of the Social Security Act (Maternal & Child Health);
- B. Title XIX of the Social Security Act (Medicaid/AHCCCS & EPSDT);
- C. The Head Start Act;
- D. Parts B and C of IDEA;
- E. The Developmental Disabilities Assistance and Bill of Rights Act (P.L. 94-103); and
- F. Other Federal programs.

9.7.0 Contracting or Otherwise Arranging for Services

9.7.1 Policy

1. AzEIP Service Providing Agencies establish contracts, vendor agreements, Intergovernmental Agreements, Interagency Service Agreements, and Memoranda of Agreement or Understanding in accordance with Arizona Revised Statutes and Arizona Rules, including Arizona's Procurement Code and any applicable federal law to ensure an adequate provider network to provide early intervention services.
2. A contractor/vendor with an AzEIP Service Providing Agency shall provide early intervention services to children who are AzEIP eligible and their families according to:
 - A. IDEA, Part C and its regulations;
 - B. the Education Department General Administrative Regulations in 34 C.F.R. part 80;
 - C. all Arizona standards, including applicable state laws;
 - D. other applicable federal and state laws;
 - E. the specific terms and conditions of the contract (including applicable state and agency Terms & Conditions); and
 - F. AzEIP policies and procedures.
3. All contractors/vendors with an AzEIP Service Providing Agency shall submit timely bills for reimbursement.
4. AzEIP Service Providing Agencies ensure the timely payment to contractors/vendors for timely, accurate and approved invoices.
5. The AzEIP Service Providing Agencies shall ensure the regular review, at least annually, of contractual obligations and shall amend those obligations as necessary. Contractors may be required to submit regular reports (such as monthly, quarterly, or annually) to the AzEIP Service Providing Agencies on the performance or fulfillment of contractual obligations.
6. Upon review of contractual obligations, an AzEIP Service Providing Agency may take the following action(s) when it finds that a contractor does not comply with the terms and conditions of the agreement, including any and all applicable laws, regulations, or policies. Those actions may include:

- A. Requesting the submission of additional information and/or requiring more frequent program reporting;
- B. Conducting focused monitoring visits and providing technical assistance, as discussed in AzEIP's General Supervision Policy;
- C. Implementing a corrective action plan, including timelines for implementation. See AzEIP's General Supervision Policy;
- D. Revising contract terms and provisions when necessary and with appropriate notice;
- E. Suspending or terminating the contract in whole or in part due to the failure of the contractor to comply with any term or condition of the contract. Written notice of termination will be provided;
- F. Offsetting against any sums due the contractor, any expenses or costs incurred by the AzEIP Service Providing Agency, or damages assessed by it concerning the contractor's non-conforming performance or failure to perform the contract, including expenses, costs and damages;
- G. Implementing other dispute resolution procedures provided by contract, such as arbitration;
- H. Withholding or reducing payment to offset any reimbursement due for ineligible expenditures not refunded to the AzEIP Service Providing Agency by the contractor; and
- I. Withholding or reducing payments for noncompliance issues including, but not limited to the following:
 - (1) Failure to submit required program and financial reports;
 - (2) Failure to respond to inquiries about data on reports within the specified timelines; and
 - (3) Failure to address required corrective actions resulting from monitoring activities, and;
- J. Using other remedies as provided by law.